and Virginia and Florida. She is the head of the Texas State Library and Archives Commission.

There are many divides it is clear to me and to everybody else at this point. The digital divide has many components. There are many divides and there are many bridges. Divides include CPE. They include infrastructure, training, education, cost. And these bridges will take many forms and come from many sources.

And the most -- I suppose the most hopeful source is going to be found in combinations of efforts that are found in the public-private partnerships that we hear so much about. And with that, I will turn to Rick Carlisle to discuss with us some of those partnerships from my home state. Thank you, Rick.

SECRETARY CARLISLE: Well, thank you, Chairman Sanford. It is a pleasure to be here. And I do have a Power Point presentation. But I am not going to use it because in the interest of time, I am going to skip around quite a bit. So I don't think it would be -- it might be more distracting than helpful. But I think it is in the packets.

It may be quite odd to see a Secretary of Commerce here talking about telecommunications issues. Our Department is structured a bit differently. We do have all of the traditional economic development activities that are

in most Departments of Commerce in most of your states.

We also have most of the regulatory commissions. So actually the Utilities Commission is a part of the Department, although loosely attached; does not report to the Secretary. But it is a part of the overall structure of the Department.

Perhaps more germane, we have the state's Information and Telecommunications Services. So the Department actually runs the state's telephone system and runs the state's computer system. We don't actually have, of course, a state-owned system. But what we do is aggregate and negotiate contracts so we get far lower rates and better services than you would otherwise obtain.

We also provide the policy support to the Information Resource Management Commission which is the state's Technology Policy Commission. And that includes a lot of telecommunications policies. And I chair the E-government task force which is charged with putting state services on-line with a very aggressive rule-out process. And I will talk about that a bit more in a moment.

Given the shortness of time, I really want to touch on three things in terms of public-private partnerships. First is a bit more historical. About 12 years ago, the state embarked on a process to create what we called then the North Carolina Information Highway. And

that was a decision that we would have high speed switching and fiberoptic cable available throughout North Carolina.

We did that through a partnership with the state's major telephone companies which in essence said the state would provide the customer base if they would provide the infrastructure. There was an aggressive roll-out of fiber and high speed ATM switches. And what the state did was deploy the infrastructure in community colleges, universities, public schools and other places to create centers in those public institutions, provide the customer base.

The roll-out probably was never quite as widespread as we had hoped. The customer base didn't materialize in part because we bet on the wrong technology. And not necessarily the wrong technology at the time, but the technology that seemed the best to provide high broad band and a wide array of services. I think that has taught us that a lot of solutions now will have to be technology neutral; that technology can change so rapidly, you can't project what the customer may need; that in these partnerships, you have to rely upon a more flexible method of determining the technology.

We have since modified that. That drove down price, drove up usage. And what it did provide, however, was one of the most I think widespread fiber networks of any

state.

The second was a more recent venture that really came out of an overall look at rural North Carolina. Like in a lot of states, urban North Carolina is booming. Rural North Carolina is suffering for a variety of factors that we don't have time to go into.

But Governor Hunt, the Speaker of the House and the President Protem of the Senate, appointed a task force chaired by former White House Chief of Staff Erskin Bowles to look at a variety of rural development issues. One of the key issues they identified was rural connectivity, the ability to access the internet at high speeds and affordable prices.

And they set out as one of the primary goals of this task force to come up with a solution for rural connectivity. We proposed a solution that had primarily two avenues to it. One was working with a private sector through a series of incentives and tax credits to encourage them to deploy the technology in areas where they couldn't make a business case without some degree of subsidy.

The second was a bit more controversial which was the state would in essence through its own network serve as a provider of last resort. As you can imagine, that did stimulate a lot of conversation. We then challenged the phone companies if that was not an agreeable solution, to

come up with an alternative solution. I think to their credit they did that.

Now, I am going to say phone companies because they were the primary technology we were working with at the time. But the finally solution, again, ended up being technology neutral.

In April, we announced an agreement by the states of three major telcos, that they would agree to two goals. One was within a one-year period to have local dial-tone access the internet all across the state regardless of the size of the community. The second goal was that within three years, we would have high speed, affordable internet access available through the state; high speed defined at 256K or better and affordable defined as no appreciable difference in cost between urban and rural communities using the same technology and the same levels of service.

They signed that agreement in April. We are now working through legislation which will create a rural internet access authority. That is a state-level authority that has a statutory requirement to do whatever is necessary to accomplish those goals in a three-year period. And it lays out on a statutory basis and sets those goals, in essence, in state law and state policy.

We were then somewhat lucky. And luck always helps. Another state public-private partnership was created

some 20 years ago, MCNC, which was the initiative to build the technology infrastructure of the state, jointly funded by the state and the private sector, and to engage in research and the deployment of technology including telecommunications technology.

They had become a semi-private entity. They rolled out a new company. That company was acquired with a large windfall. And that organization which, again, had been incubated by the state was now a private sector company. It agreed to pay 30 million dollars back to the state to help wire rural North Carolina. So that gave us both the internet access authority, the agreement with the major providers, and 30 million dollars to provide subsidies where needed to reach the areas where the business case could not be made without a subsidy to reach them.

Now, I do want to stress that on this authority are the possible providers, as well as a segment of users. So we have not only the major telcos, the ILECs, we have CLECs, wireless providers, cable companies and so on. So that in different areas, the technology may vary in terms of the end solution. But the key is that we do have the statewide goal, the oversight authority to make that happen, the agreement by the major providers to accomplish those goals in the time period; and then finally, that we have the subsidy of 30 million dollars as needed to go into specific

situations and do what may be necessary with that subsidy to provide the technology.

A final piece I want to mention is our NC At Your Service initiative. That is an initiative launched by Governor Hunt, again, in April to say that the -- if the state of North Carolina is going to be encouraged in this activity at the private sector level, we have got to respond, as well. It was to create an E-government task force to set a pretty ambitious set of goals to bring all state services on-line so state citizens could access these seven days a week, 24 hours a day.

I just last week -- we signed an agreement with Anderson Consulting and Yahoo which will serve as the primary designer of the portal for the state services. The goal is that we will have portals that the state -- that state citizens can access which will look very much like a customized portal you might use if you are logging on to Yahoo or MSN. So that you won't see a standard state page. But then you can customize your state page based on your common interest and needs.

Also using some push technologies so if like me, you can't remember when your car registration comes due, reminders can be sent. And then you can log on and register your car on-line. And that service will be available by the end of August.

We should also have credit card acceptance technology available within about a month. So, again, you can register and pay for it on-line. The partnership with Yahoo and Anderson Consulting we think is going to be pretty exciting. And we will see the first products roll out in about two months. And we are really looking forward to that arrangement.

I just want to conclude by maybe a couple of observations about what this took to reach some of these kinds of agreements. One is that we did try to avoid finger-pointing. We really tried to work on hard information where possible. And candidly, there was a disagreement between us and the telephone companies about whether or not there was a problem with rural connectivity and whether or not the market would solve it by itself within a reasonable time period.

We undertook what I thought was a pretty seminal investigation using a request for information process through the telephone companies and ended up with this extensive and heavy study of what kind of technology is available in every county in North Carolina, what kind of wiring is in place, whether or not an ISP is there, what kind of equipment is in the central offices. It is one of the most detailed studies I know of, looking at actually the availability of technology throughout the state. So it gave

us a good snapshot of what was there.

We also asked for short-term plans in terms of rolling out DSL or other technology. So what it gave us was hard data to go back and say we can now document that in five counties, there is no service of any kind. In other counties, there is service, but speeds are not acceptable. In other counties, there is service with speeds that are acceptable, but the cost is five times what it is in urban areas. So we didn't have to debate the problem any longer. We could focus on the solution.

Second was to understand there had to be some mutual benefit coming out of it, that there were long discussions about how we were providing benefits to the consumer, but also understand the requirements of the telephone companies and the other providers and ensuring we weren't asking them to do something they could not do and still be accountable to their shareholders.

And I think third was, you know, a mutual agreement to participate in the solution and decision-making, creating the authority and having the ILECs, the CLECs, the cable providers, the wireless all part of the overall authority to drive this decision home which did two things I think for us. First, it put them at the table so they felt they had a stake. And second, I look forward to the kind of arguments that are going to take place as they

stare at each other across that table and try to reach a common -- some consensus on what kind of service is going in where.

And with that, Madam Chairman, I think my time is up. So I will stop.

CHAIRWOMAN SANFORD: Thank you, Rick. And before we move to the next speaker, I want to take a self-indulgent moment to say that as a member -- as the Chair of the Commission at home and as a member of this 706 joint conference, it is becoming more and more clear to me that when things happen in this area, it is because a core group of really committed people believe in it and push very hard for it.

And I will take this opportunity to tout the work that Rick Carlisle, Rick Webb who is head of our ITS at home, Karen Long who is here in the room, Erskin Bowles and our Governor Hunt have done. There is here and in Haywarden, Iowa and in the other places I have gone throughout my 706 tenure, as brief as it is, I see that when things move is when there is a coterie of very, very committed people who have the vision and who translate that into energy and action. And things happen. Progress is made.

And so we will move with that to other members of this panel who have those same kinds of experiences in their

sphere of influence. I will turn to Mr. Pierce.

MR. PIERCE: Thank you. I would like to thank everyone for being here this morning. This was a rather late addition. Roy Cales is the first State Chief Information Officer that was appointed in Florida. And one of the things that we will definitely be doing is working on public-private partnerships.

The legislature -- and I think you have heard a little bit of this already today from Joe Lacher and Julia Johnson and some of the other speakers. What we have tried to do in Florida with the Governor and the leaders in the legislature is to present a platform, a new rewrite of the information technology legislation and the policy issues in the organization so that we can go further and provide better access to government and interaction between citizens and government and business and government.

Some of the things we are doing is we are trying to make sure the citizens' demand for service and the new electronic environment is there. As it was stated earlier, the budget was provided to the legislature on a CD rather than a big stack of paper. We are in the process of enabling all of our public records, public information available by the internet.

And you have heard portals a few times this morning. One of the charges out of the 2000 legislative

session which ended in early May is that the State Technology Office which is headed by the Chief Information Officer for Florida will be required to establish a full service portal for the state of Florida.

This will promote the government-to-government functions which would be between agencies within the state or the state and local government. It will promote the business opportunities, the government-to-business and business-to-government. Some of the things we are looking at there is the ability to do on-line procurement so that you don't have to have an envelope marked technical data and cost data and sealed separately and mailed in by a certain time. We will still have the certain time requirement. But it is going to make it a lot of easier.

The citizen-to-government is the important part. And I think we are trying to drive that to the point, as you have heard earlier, where the license, whether it be hunting license, fishing license or beautician's license will be obtainable through the internet and that all of the information is there.

Now, that presents additional challenges when you develop a portal of this magnitude, is you also have the opportunity or the challenge of making sure you keep privacy concerns there. So that you can identify that I am who I say I am when I get my driver's license. But also,

everybody else can't figure out who I am from the information that you have on your website.

So these are the things that we are looking at with the centralized organization. The information technology in Florida will be addressed as an enterprise business information technology. It will be conducted as though it were a private sector business. We will provide services to all of the rest of government. And we will do it in a way that will be as efficient and effective as possible as we move into the digital government that Governor Bush and the legislative leaders foresee.

One of the things as we start looking to the future is, you know, you always look to the past and see what parts you've done. Well, my background is the telecommunications side of information technology. And one of the things the legislation did was identify telecommunications as information technology where in Florida before this, it had bene telecommunications and information technology. Now it is all one.

Our state telecommunications network, we have had partners in that since partners were allowed by Judge Greene a few years ago. When we talk about partners, we have partners in terms of providers which are primarily the ones that provide services to us. The state of Florida elected in the mid-'80s to buy service rather than to own equipment

and own our own facilities and go into it that way.

We have a telecommunications budget that we pay the providers each year on the order of 105 to 110 million dollars. The customers that we have of that service is not only the state government, but also local government, school boards, nonprofit corporations that do the functions of state agencies. And those are very important to the functioning in Florida as we move more and more to the public-private partnerships and the delivery of services to the citizens.

One of the big projects that we are doing now -- and I know that the FCC will be totally aware of this one -- is the Florida Fiber Network which is a project to partner with private companies to allow installation of fiber along the limited access right-of-ways in Florida, both the interstates and the turnpike to promote an additional capability in telecommunications infrastructure so that we can connect the rural communities as the urban communities are connected.

And if you look at the interstates throughout the state, you touch a lot of the rural communities where some of the capability is not there that makes a lot of business sense for some of the business people to go out and install there. But if you have readily available fiberoptic cable into the neighborhood or into the rural community, it is a

lot easier to attract someone to go in and provide the service there.

Along with that -- and I think the next speaker will talk more about our state of Florida NAP -- this fiber network that is going to be along interstates and the turnpike will make it where any of our business partners in Florida can be virtually co-located at that NAP through this network. So we are looking at a lot of things in that way to be able to make Florida a key in terms of being the global connector for E-business, if you want to put it that way.

The last thing that I wanted to say is that the issues that we have to deal with in the next two or three years are -- have been explained to me as we will redesign the entire way that Florida government works because of the use of information technology. And that is a very significant task. And we will need all of the private partners that we can find that have expertise in the areas to help us do that. Thank you.

CHAIRWOMAN SANFORD: Thank you, Mr. Pierce. And let me note -- you correct me if my information is erroneous -- but your state IT infrastructure has a staff of 4,000, serves over 200,000 state users and supports more than 30 data centers?

MR. PIERCE: That is the new organization that

will be reporting to Roy Cales as of July the 1st, yes, ma'am.

CHAIRWOMAN SANFORD: That will be reporting. And -- excuse me, and it will also support over 400,000 users daily. So there are 200,000 in excess of the governmental clients, is that correct?

MR. PIERCE: That is approximately true. Our state telecommunications network, about 40 percent of that is for local government and nonprofit and schools and libraries and those type of customers that are outside the state government, yes, ma'am.

CHAIRWOMAN SANFORD: Okay. Thank you. We will hear next from Jeff Kline with Accris Corporation who has a special level of expertise in E-business.

MR. KLINE: Thank you very much.

CHAIRWOMAN SANFORD: Thank you.

MR. KLINE: Good morning. I am going to speak to you today about the Florida NAP, or Florida Network Access Point, in which we hope it will soon be called the Internet Coast NAP.

Building a NAP in south Florida will be as significant to the Florida economy as building the rail system was by Flagler. So we think that this is going to be an economic boom to the state of Florida. We are in the process of building the Internet Coast NAP. And it is

happening because of several logical and physical reasons.

The first one is because of the geographical location of southeast Florida. As we all know, it sits on the southeast tip. It provides a natural gateway to South America, to Africa and to southern Europe to provide internet traffic. So we have this natural gateway today in southeast Florida.

Also, it is a central undersea cable landing in which there is a density of undersea cable landings that -- for telecommunications that arrive and originate and terminate in the Internet Coast or in southeast Florida. Also, there is a density of internet companies in southeast Florida that require this high band width. And so these are some of the physical and logical reasons why there will be a NAP in southeast Florida in the very near future.

But more than anything else, this NAP has been driven by people. And I agree with your point that most movements, most technology clusters are driven by people. And this has been a true example of cooperation in a partnership between business and public sector in which from the private sector side it has been led by the Internet Coast. And I will tell you a little bit about the Internet Coast in a minute.

But it also has been cooperation amongst the carriers in which we have a situation in which Epic

Communications came in and invested $500,000.00 just to do a feasibility and a planning report on should there be a NAP in southeast Florida. And Bell South has lended incredible guidance and support towards the building of this NAP. And other of our carriers have gotten involved such as Global Crossings and 360 Networks and Telephonica.

So many of the different carriers have been involved. And almost all of the internet companies and technology companies have been involved with the building of this NAP or getting behind this concept.

But it has also been about government. And in this case, I think that government has found the balance between regulating and stimulating the building of this NAP. And it has been led by our hip E-governor, Governor Bush, and by the IT task force and Julia Johnson and by the gentleman that originated it, Louis Royas. And recently State Senator Klein introduced and it was passed legislation that would encourage and give incentives to businesses to build this NAP in southeast Florida.

I said that I would talk a minute about the Internet Coast. And the Internet Coast is about a lot of things. It is about regionalism. It is about an internet cluster that has developed in southeast Florida. But most of all, it is about people. We are branding southeast Florida "The Internet Coast" in the same way that Silicon

Valley was branded in 1971.

And we have a lot of different things happening. And Florida will soon be and southeast Florida will soon be a major economic E-business hub to the world. And, again, the name, "The Internet Coast", is simply a brand. But we have three major drivers that are behind this internet cluster, this technology cluster that has developed.

And they are 1) -- and you heard a little bit about it today -- that we are becoming the internet gateway to South America. And it is being led by companies like AOL South America, Yahoo South America, Yupi, El Citio and many other companies that are in the business of providing content and technology into South America which represents a huge market.

Secondly, we have an ASP movement, an application service provider. And south Florida is becoming the ASP capitol of the world. And without boring with the umpti-umph technology and what is behind it, it is if you know anything about the internet the most -- one of the most important technologies that has been adapted to the internet. And today we have the undisputed market leader, Citrix Corporation headquartered in southeast Florida. And we also have 15 percent of all of the ASP companies.

But more than anything else, we have an entrepreneurial spirit that is alive in southeast Florida.

I have spent a lot of time studying Silicon Valley, visiting it. And as I talk, I am not comparing the Internet Coast to Silicon Valley because there is no comparing anything to Silicon Valley. But what I do believe is that if we were to compare Silicon Valley to Michael Angelo, there is still room for Leonardos and Picasos and other artists. And so that is what the Internet Coast represents.

And more than anything else what has driven Silicon Valley has been this entrepreneurial spirit and the same entrepreneurial spirit we have in southeast Florida today as I am sure many of the other states have. So these are the three major drivers behind the Internet Coast.

Our four initiatives have been 1) to brand southeast Florida the Internet Coast. And we have a website, the internetcoast.com, which is a portal and I encourage you to visit it, an information portal explaining exactly what is going on with the Internet Coast. Secondly, we want to increase the number of knowledge-based workers in southeast Florida, that we understand that there is technology and internet cluster growing in southeast Florida and that we need a supply of computer-skilled workers and knowledge-based workers.

And today I am happy to announce that business and education and our universities are working closely, hand-in-hand, to determine exactly what skill sets will be required

in the future. And our universities and our K through 12 are committed to providing those individuals to the marketplace.

Third, we want to increase the amount of venture capital in south Florida. And we have made a lot of progress in that. And the last initiative was to build the infrastructure. And we had a dream. We had a dream to build a NAP in southeast Florida. And that means a lot of things to us.

And as we thought about this dream and what this vision was, the first thing we said is that it has to be an open market. It has to be a public peering point where secondary and tertiary ISPs, ASP and internet companies could participate in high speed internet access. But it also had to be state-of-the-art, private peering so that the top tier carriers would have a place in which they could exchange traffic.

And lastly, there had to be co-location where companies could locate their equipment. And this had to be done at a reasonable cost with state-of-the-art performance. And today I am happy to announce that we are very close to building the Internet Coast. When we started with this vision of building the Internet Coast, people told us we were crazy. They said it was the impossible dream and it would never happen. Well, today I believe that the Internet

Coast is very close to becoming a reality. Thank you.

CHAIRWOMAN SANFORD: We will now hear from Lorine Card who is with MediaOne conducting their Congressional Affairs.

MS. CARD: Hi. Thank you for the invitation to be here today. And having come from Washington, D.C., I wanted to take the opportunity to thank Commissioner Tristani for your thoughtful review of our merger with AT&T and the other work that you are doing at the Commission, and go into my presentation on public-private partnerships.

What I thought I would do is just briefly bring folks up to speed as to who we are because in the southern states, we provide service in Florida in three key markets, Jacksonville, the Miami-Dade area and Naples. And then the other states that were represented here today were not a provider in; so and then go through what I wanted to focus on today which is our public-private partnerships with our communities, specifically with our youth and our educational efforts which we are proud to present today.

MediaOne is a domestic broad band company. And we provide video service, high speed internet access and residential local telephone service over our cable plant in several markets across the country which you can see on the slide. We pass 8.5 million homes and have roughly five million video customers, 100,000 local telephone customers

and close to half a million high speed internet customers across the country.

So what we are doing is obviously we are embarking upon a very aggressive upgrade and rebuild strategy to provide these services in all of our markets and all of our franchises. We are a locally franchised business. So we are just about three-quarters of the way there. It is a 6.5-billion-dollar investment that we have been making and will continue to make until the job is 100 percent done.

Several years ago, actually in the '80s, MediaOne, then known as Continental Cable Vision, was one of the founding members of a program called Cable in the Classroom which is a program that we bring commercial-free, educational programming to schools in the communities that we serve free of charge.

And what we have done over the years is bring that connection into the school and train teachers and then hope that they use the technology. And that is one of the things that over the years, you know, if you bring technology to a community and to a school, you obviously want it to be used. And in the early years of Cable in the Classroom, we found that without teacher training and professional development, it was technology that just was not going to be used unless we got in there and trained people on how to use it.

Well, to extend that further, we have now

connected over 6,000 schools across the country. And 450 of those schools are in Florida, the markets that we serve. Well, to bring that further, once we started launching our high speed internet product, branded Road Runner, we also decided that it was appropriate to offer it to schools in the community within the same time frame that we were going to launch it commercially to consumers.

So within a year, we have made the process very easy for schools to participate because, again, I can't stress enough that it is important for our children to -- they know the technology better than most parents do anyway. So bringing it into the schools and then training the teachers to use it has been a high priority of ours.

It is up to the schools whether or not they want the technology or not. So we work with the school administration in each community. And, again, it is up to them if they want to use it.

The schools that have this service, we are finding that they are being quite innovative in how they use it. It is a high speed connection. We can network up to 100 computers within a school or a school campus per location. So it is not just one computer sitting in the library. Depending on what the school wants and how they want it -- how they want to wire, whether it is their classrooms or their computer labs, we work with each individual community

and their needs.

There is on-line -- there is e-mail. There is web support. There is -- we give them space for school websites and the like. And then once again, a professional development. We have connected over 1,200 schools across the country and 308 in Florida.

And one of the most successful projects we have worked on in Florida is in Duval County up in Jacksonville where we have worked with the county government in creating a virtual private network, connecting all of the schools in the county with the school headquarters so that administrators and teachers can exchange data, exchange the administrative records, grades, things like that over this virtual private network. And that is -- and that connects 156 schools in that county. So it is a very successful public-private partnership that we worked on with the county in this case.

Some of the other efforts we have embarked upon as a company include, okay, we bring the technology to the schools. Well, there is other citizens in the communities that we serve that would like to have access to the technology, may not be ready to take the leap and purchase it or may not have a computer at home which was addressed in the last panel quite extensively.

So we have approached it several different ways.

One way was what we call our COOL Bus, Community Outreach and On-line Learning, where we have a mobile internet training lab. We actually have three of them that we bring into communities, cities, smaller areas, rural areas. And we set up these mobile internet labs and train community citizens.

We have brought them to senior centers. We have brought them to community centers, libraries, as well as schools. And it is an effort to train those in the community that may not have the access today. We also encourage our employees in the communities that we serve to volunteer in their schools.

Many of our employees are parents themselves and have children in classrooms. And we encourage them to volunteer their time in their child's classroom or any child's classroom. And we provide up to $600.00 annually for that employee to give to the class to purchase equipment and help purchase equipment for the classroom technology, computers, whatever they wish to use it for.

The last part of our Community Outreach and On-line Learning component is rewarding teachers for actually using the technology. As I mentioned, if you bring the technology into schools and no one uses it, it is really no good for anybody. So we reward educators each year in the areas that we provide the service and give them a $10,000.00

grant.

And we have -- we had three teams in Florida that this year received that grant. We have 16 teams across the country that can win each year. And they can use that grant to bring technology back to their schools, as well.

Very briefly, I wanted to highlight another partnership we had last year with the White House Office of National Drug Control Policy. They have embarked upon a very aggressive strategy to address youth and drugs. And so what we did is we have our -- what we call cub reporters which are students in our communities that act as reporters and journalists.

And it started down here in Miami and went through Jacksonville, Atlanta and Richmond. And these kids went to malls, to teen centers, boys and girls clubs and talked to kids, interviewed them about drugs and the issues that they face as teens in these cities.

We produced a documentary on the program, presented to General Macafry of the White House Office of National Drug Control Policy. But we also took it a step further and shared it with all of the schools in our service area so that they could use it. It is particularly appropriate in the middle schools where teen drug us is a problem. We also locally aired the program to reach others in the community.

The last partnership I wanted to talk to you about is actually something that started in Los Angeles and we hope to bring to other cities across the country. And that is called Broad Band Stories Communities in Focus. And, once again, it is an effort to bring youth in the communities into in this case boys and girls clubs that we have wired for no charge, to bring kids into the community centers and using technology.

And, again, it sounds very similar to a previous discussion today with the Seed Centers and things like that. And we have created this website called streetscene.net. And kids are taking pictures and stories of their communities and putting them up on the web. And it is a community effort. And we hope to bring it to other communities across the country.

So I hope I didn't take too much time here today. But we find that especially in the area of education, public-private partnerships work quite well.

CHAIRWOMAN SANFORD: Thank you, Lorine. Those are some splendid examples of corporate contributions. And I would like to ask before you leave here today whether that film about drug usage is available in North Carolina. That sounds very interesting.

MS. CARD: We will work to bring it there.

CHAIRWOMAN SANFORD: Okay. Thank you. Schools

and libraries were targeted in the Federal Act for special attention for the obvious reason that they have enormous potential for disseminating the benefits of these technologies to large parts of our population. Peggy Rudd from the Texas Library Association is here today to talk to us about some of those activities in Texas.

MS. RUDD: Thank you. Commissioners and joint conference members, it is a privilege for me to appear before you today to talk about the importance of deploying advanced telecommunication services in a reasonable and timely manner to all regions of America and to our nation's public libraries. My name, as you said, is Peggy Rudd. I am the Director and Librarian of the Texas State Library and Archives Commission and am a member of the Texas Library Association and the American Library Association.

Public libraries are instruments of universal service policy, fulfilling the policy goal of full, equitable and affordable access to the richness of electronic resources. Libraries not only provide access to electronic information, but are providers of information, as well. Libraries bring organization and structure to the mass of electronic resources.

Public libraries provide free service to all regardless of geographic location, age, education or financial status. Public libraries train users to navigate

the electronic environment, building information literacy capacity within communities. Public libraries achieve cost savings through networking and resource sharing, building partnerships with academic school and special libraries.

Public libraries also engage in a variety of partnerships with public and private sector that reap benefits for all. There are over 16,000 public library facilities in this country. In 1995, 20.9 percent of our nation's public libraries provide internet access to the public. In the latest study of public library connectivity conducted in 1998, that percentage had climbed to over 92 percent.

Both studies were conducted by the American Library Association's Office for Information Technology Policy and the U.S. National Commission on Libraries and Information Science. And there is another survey underway right now. The ALA Office of Information Technology Policy is also in the process of evaluating the impact of public library internet access on the digital divide.

In Texas, 97 percent of the 505 public libraries provide internet access for the public. Now, these rates of connectivity are the result of a great deal of hard work on the part of librarians and of the successful partnerships that they have forged. Hard work and partnerships have brought a variety of revenue streams and other support to

the task of achieving the goal of full, ubiquitous access to network information through our nation's public libraries.

Now, why is a goal of ubiquitous and equitable access so important? Well, one reason is the persistent digital divide. While the picture of access nationwide has improved over the past five years, the so-called digital divide is still very much a reality.

The term, of course, refers -- is the popular name for the information technology gap between the haves and the have nots. It is the gulf between those who have access to information technology and networked information and those who do not, those who can skillfully use on-line information and those who cannot. And increasingly, the digital divide is a factor in determining who will succeed and who will not.

The implications of the digital divide for learning and working are enormous. Houston Mayor Lee Brown characterized it best when he recently said that reading and using on-line information today are survival skills. In a recently published book, The Digital Divide: Computers and Our Children's Future, David Bolt and Ray Crawford have this to say about the impact of the digital divide on the educational experience.

And I quote, "In the world of today more than at any time in the past century, much of a student's education

experience depends on whether or not the student has access to technology, access to the information made available by that technology and access to educators trained in integrating that technology and information into the educational experience", very much what Lorine was saying about cable.

As the internet and the world wide web continue to grow and all aspects of our society become increasingly affected by information technology, the digital divide is aggravated. The internet doubles in size every year. The world wide web doubles in size every 90 days.

And in 1996, if you look at the growth of electronic mail, the U.S. Postal Service, for example, delivered 185 billion pieces of first class mail. In the same year, the internet handled one trillion e-mail messages.

Additionally, the faster speeds and greater capacity possible through the deployment of advanced telecommunications will enable advanced applications such as video streaming, telemedicine, real-time interactions, telecommuting on-line or E-government -- which Jeff was talking about; that is certainly very important -- and virtual education and learning experiences.

But will all regions and all Americans have access to these applications? And these are the questions that we

have certainly heard asked by the Commissioners and joint conference members today.

In 1997, the National Telecommunications Information Administration of the U.S. Department of Commerce worked through the Census Bureau to update data on the digital divide. From these data, we know that geographic location, income, race, age, education and family structure influenced whether or not an individual has access to computers and the internet. We also know that the least connected are the rural poor, rural and central city minorities, young households under age 25, and female-headed households.

Public libraries have provided information access in this country for over a century. We are not new to this game. Making broad band and advanced capabilities available to the public in libraries simply expands the tools that libraries can offer to people to support their information-seeking and life-long learning activities.

Public libraries are integral to community and economic development and are a crucial asset in community-building. So it is only natural that they would take the lead in promoting access to networked information and computing resources for those who do not otherwise have that access.

People already turn to the public library

resources for educational enrichment, job and career information, college preparation, literacy instruction and so forth. Libraries are uniquely positioned I think to be one-stop shops. It is what I call the library beyond walls, not necessarily the library without walls.

Public librarians can also give technology a human face. While the information available on the web grows exponentially, untutored individuals can find searching for meaningful, relevant information very frustrating. Additionally, once ubiquitous deployment of advanced telecommunications takes place, the affordability of access for all Americans becomes a serious issue. Thus, there is an enormous role for librarians and libraries to play in building capacity in individuals and communities for equitable access and success in the networked information environment.

Now, what will libraries need in order to address the digital divide? First and foremost, broad band must be deployed to all regions of the country in a reasonable and timely manner in order to -- in order for libraries to provide access. We are not talking about ten years from now. Frequently, grants have been used to install technology and telecommunications infrastructures in libraries. But these infrastructures must be maintained.

While the national E-rate program has certainly

helped defray costs through available discounts, requests for discounts are out-stripping the E-rates ability to meet all demands for support. And E-rate will not provide support for the critical element required in the networking infrastructure, public desk-top computers.

Thus, libraries must plan for upgrades and replacements in the normal course of budgeting or seek other support. For libraries with limited sources of income and staffing, these are challenges that are frequently difficult to meet. National, state and federal -- national, state and local partnerships help libraries meet those challenges.

In Texas, libraries have taken full advantage of partnerships that ensure the public's access to networked information. Born of telecommunications deregulation in 1995, the Telecommunications Infrastructure Fund, or TIF board has provided over 20 million dollars of assistance to public libraries in computer hardware and software, internet services, high speed telecommunications and training. Of the 789 total public library outlooks in Texas, TIF has provided grant assistance for 656.

Most recently, the TIF board has partnered with the Texas State Library and Archives Commission, my agency, to establish the Library of Texas, a statewide virtual library that we are very excited about. The Library of Texas will deliver information when, where and how Texans

want it by providing on-line databases, putting thousands of full textbooks, reference materials and journals on the desk-top, current and retrospective government information, extensive training and a statewide catalogue. The TIF board has pledged 20 million dollars for the first two years of this project and plans to also support years three and four.

Certainly, the Bill and Melinda Gates Foundation has committed substantial resources to addressing the digital divide. And through their statewide partnership grant initiative in Texas, over ten million dollars will -- in assistance in hardware, software, ongoing technical support will be available to Texas public libraries over the coming year. And part of the statewide partnership initiative is for the Gates Foundation to make labs -- computer training labs available in 22 of the largest public libraries in the state.

The Tocker Foundation, which is a private foundation, has also supported those libraries that are in rural areas. Their principal focus is on libraries that serve populations under 25,000, so a little larger than the 2,500 that Commissioner Perlman was talking about earlier. But nonetheless, they have been a tremendous boom for those small, struggling -- frequently struggling rural libraries.

Another exciting example of partnerships that are aiding public libraries in providing access and addressing

issues of the digital divide is a recent donation of $500,000.00 by the Susan and Michael Dell Foundation to Austin Public Library. Austin has the distinction of being considered one of the most wired cities in the country. However, there is a wide gap between the information haves and have nots.

Recently, the Wired For Youth Center was opened and this is the first of a series of real community access centers at the Oak Springs Branch Library. And hundreds of community residents were in attendance. And as Susan Dell cut the ribbon, there were children at all of the computers cutting a virtual ribbon. And afterwards, children stood literally five deep waiting their chance to get their chance to get at the computers.

Local public libraries I think have worked very hard to leverage these partnerships to gain resources to help support their efforts. And they will continue to partner with funding bodies and organizations and institutions with allied interests in order to maximize impact. Libraries have been a part of resource sharing networks since 1960. So that is not really anything new for us.

The E-rate program is an important component of the multi-faceted support for full, ubiquitous public access to networked information. But it is only a beginning. One

of the things that we would like to see is certainly a nationwide cadre of loaned executives from telecommunications and technology firms to public libraries and schools. These experts on loan could lead training efforts, assist in developing E-rate and grant proposals, assist in crafting technology plans and help libraries and schools capitalize on the digital revolution.

I believe that public libraries are a part of the piece -- probably the most important part of the puzzle that will get services out to those in rural and high-cost areas and certainly are part of the issue of building interest and building momentum in those communities. Thank you very much for the opportunity to speak with you today.

CHAIRWOMAN SANFORD: Thank you, Peggy. Are there questions?

COMMISSIONER TRISTANI: I had a question of Mr. Kline. And excuse my ignorance, but I am not familiar -- or as familiar as I should be with south Florida. And I wanted to hear a little bit more about the Internet Coast and how it is a public-private partnership, if that is what it is. And I heard you say that there were four things that you were doing. And you ended with the infrastructure. But who is this infrastructure going to benefit? I mean, can you tell me a little bit more about it so I have a sense of what you are attempting here?

MR. KLINE: Thank you very much. And please allow me this opportunity to evangelize the word about the Internet Coast. So, first of all, the Internet Coast, we had this internet and technology cluster developing in southeast Florida. And it was really happening on its own. And a lot of -- probably six to ten of us entrepreneurs got together and we started to see this. And we started to say there needs to be some growth management to this.

And first and foremost, it needs to have an identity. And we need to create an identity for this movement. And we came up with the name, "The Internet Coast." And so that was the birth of it.

And then we all started to do a lot of speaking engagements, getting involved with government, with the chambers, with all of the EDO-type organizations, and started to really define what this internet and technology movement -- what was driving it and what could we do to help the cause. To date, the Internet Coast has been done without one single taxpayer dollar.

It has been totally driven by the private sector in which we have gotten together and with the private sector umbrella brought government together and worked with them very closely. Yet government has given us the ability to -- they have encouraged our growth without overly regulating the growth. And from that, as I said, we identified four

initiatives today. And these initiatives are growing.

But the first one was the branding. And that is that we want worldwide awareness as to this internet movement and exactly what is happening. The second is that as this technology or internet movement continues to grow, we saw that there would be a need for the labor supply, the computer skilled worker, the knowledge-based workers. And it is very difficult to bring talent in from around the country because there is other great technology clusters like Route 128, the Research Triangle, Silicon Valley, Austin, et cetera.

So we saw the need to grow our own. And so we started to get together with all of the universities. And we said, you know, put aside your personal interest and listen to what the work force is going to need, the labor supply. And so we have been working very closely in which private sector now are filling out surveys, identifying how many Java programmers or C++, et cetera. And the universities now are starting to develop their curriculums to meet this need.

Again, as I said earlier, the -- I have spent a lot of time studying and visiting Silicon Valley. And if you were to ask me what was the main driving factor, well, there was a lot. There was a paradigm shift from the mini-computer to the micro-computer. There was the silicon chip

and Fairchild and all the spin-offs. But more than anything, it was this entrepreneurial spirit that was alive in Silicon Valley. And we have that exact same entrepreneurial spirit alive here.

But it is also venture capital. And if somebody has an idea, regardless to the financial background that they come from, that if it is a good idea, they should be able to raise money. Silicon Valley, they have 3000 Sandhill Road. It is a complex of four buildings. And you can go there if you have -- if you live in Silicon Valley or anywhere. But you are at an advantage if you live in Silicon Valley. But you can go there. And 30 top-tier venture capital companies are there. And if the idea is worthy, you will get the funding.

And so we want to increase the venture capital in south Florida. Several years ago there was little to no venture capital funding. Today, there is significant venture capital funding. And what is bringing them in is not taxpayer or government incentives. It is opportunity. And so that is what has brought them in. And then the last was the infrastructure. And to your point.

And we see in order to grow this internet cluster, or the Internet Coast, we need high speed internet access to the businesses and to all of the consumers. We see this digital divide as being a real key issue. And I think that

that is going to be the next major initiative from the Internet Coast.

But, again, we started with this impossible dream of bringing forth the NAP to southeast Florida. And if you don't know southeast Florida, historically we have been plagued factionalism and fighting amongst the counties between Miami, Dade County, Broward and Palm Beach Counties. And behind the Internet Coast -- and I think because it was led by the private sector -- all of the different counties got together. And we said where does it logically need to be.

And I am happy to say that all of the county officials, all of the organizations and private sector put their selfish interests aside and said where does it belong. I am from Palm Beach County. But I said that the need belonged in Miami. That is where the greatest density was. And that is where it belonged. And I applaud Broward and Palm Beach County and all of the different organizations from those counties that supported this.

And so I think as much as anything, the Internet Coast is about regionalism and working together in cooperation between the private sector and state.

CHAIRWOMAN SANFORD: Thank you, Jeff.

COMMISSIONER PERLMAN: I have a question for Rick. I must say, this is a very impressive amount of information.

We in Texas are trying to do a similar thing. And to be honest with you, we have had some problems of confidentiality concerns that the carriers have. And I was wondering first how you address that.

And then secondly, I was wondering if you give me some take-aways from the information that you have put together here in terms of what did you learn from doing this and what came out of that in terms of solutions to address whatever problems you discovered?

SECRETARY CARLISLE: I guess first as far as the confidentiality, in terms of the information here, there were some reservations, but really no significant concerns expressed by the providers. So I don't know to what degree it arose in Texas. I would be glad to have our Chief Information Officer talk to the folks in Texas and see if there are any differences there or how those are handled.

But in essence, it all -- once it became a public document, they were providing basically what technology was there. Some of these we supplemented by going to other sources outside the request for information. But, again, I can't directly speak to that because it was not a big issue in North Carolina. But we can talk to your people in Texas and determine if there was any differences.

In terms of take-aways, I think one of the biggest problems we had was a debate over was there a problem, what

was the problem, at what rate would the market solve the problem. And, again, as I thought through what are some of the requirements for solid public-private partnerships, it is agreement on the problem. If you don't agree on the problem, you can't begin to address it.

What this gave us then was the basis for having an agreement on exactly what the nature of the problem was that we had to solve. And, again, what we discovered was we got a full count of all the central offices across all the -- across the entire state, 430 I believe central offices, 103 of those in the target rural areas we were most concerned about.

We got a clear picture of what kind of lines serve those central offices. We got a pretty good picture of what kind of equipment was in those central offices. And we got a pretty good snapshot of over the next year what kind of lines are going to be laid and what kind of investment was going to be made that provided additional technology in those areas not served.

So we know, for example, and we can identify the counties now that don't have service, the kind of service they have, the speed of the service, and in most cases the price of the service. And it was even debated across that, exactly what it cost if you were in a given county if you wanted to get internet access. What was it going to cost a

business or a home user? It sounds like a simple question. But it turns out it wasn't. We have much better information on that now.

We've got one more step we've got to go which is although DSL service may be available, unless you have a pattern of users, you don't know how many may be outside that 18,000-foot limit. So we are in the process now of working with the providers to map out the users and then lay them over the map that we have generated which we can digitize of where DSL is so we will know what percentage of users within a given area are outside the area that DSL serves.

So either DSL may not be a solution there, it may need to be extended, or in some cases, technology exists to carry that a bit farther. What we can then do is put together a pretty good picture of what kind of solutions have to be put in place of where the existing or proposed investment will solve it, where a subsidy may be needed for land lines for solve it, where through a combination of opening of a central office and subsidizing an investment maybe by an alternative provider we can get the equipment in place to do that or where it is going to have to be wireless or some other solution because given the nature of the community, where the technology is, you simply can't get in there even at a reasonable subsidy.

COMMISSIONER PERLMAN: Did I understand though that the carriers have basically now signed up in North Carolina to provide this within three years irrespective of kind of, you know, what technology is used to actually deploy service? Is that kind of where you are right now?

SECRETARY CARLISLE: That is correct. I mean, they have signed on to a three-year goal saying they will provide, again, under our definition, high speed, affordable internet access statewide.

COMMISSIONER PERLMAN: Okay.

SECRETARY CARLISLE: Now, they have also understood the state would help subsidize in the high cost areas. So our decision will be what do we subsidize. Is it going to be land lines in all cases or the telcos or would we say, you know, given the nature of the problem, it is far better we subsidize something else?

COMMISSIONER PERLMAN: Right. And have you costed out what the -- that might cost in terms of the commitment that the state would make for --

SECRETARY CARLISLE: Well, what we have reserved is 30 million dollars.

COMMISSIONER PERLMAN: Okay. But you think the 30 million dollars is --

SECRETARY CARLISLE: We think so.

COMMISSIONER PERLMAN: -- adequate.

SECRETARY CARLISLE: We think so.

CHAIRWOMAN SANFORD: We hope so. We are just about at the end of our time. I would like to close with one sort of multi-part question to Jeff. And I will ask you to help me cut to the chase on this and be succinct so we can close moderately on time and go to lunch. Where is the nearest NAP to the one that is either being proposed or being constructed? I was a little unclear.

MR. KLINE: Well, the closest tier one NAP would be Virginia. And that is where most of the traffic right now is going through. And when you look at voice-over IP and the amount of traffic that is starting to come in from South America, it starts to make logical and physical sense to have a NAP in southeast Florida.

CHAIRWOMAN SANFORD: Cost of constructive of a NAP is?

MR. KLINE: Cost of construction is a difficult question. Again, the Epic report that was done, they estimated that it would require 200,000 square feet to house the NAP. But once the NAP is in place, then there is going to be another two million square feet to house the companies that will want to be as close to the NAP as they can. And what I say to people is whatever you think this NAP is going to do to our economy, put a 10X in front of it.

CHAIRWOMAN SANFORD: Okay. Thank you very much.

With that, I want to thank these panelists very much for a lively, informative presentation. Thank you.

(Applause.)

CHAIRWOMAN SANFORD: And then I would like to turn it to Commissioner Tristani to close out.

COMMISSIONER TRISTANI: Actually, Joe is going to close it.

CHAIRWOMAN SANFORD: Okay.

COMMISSIONER TRISTANI: But I just wanted to thank not just this panel, but the prior panels. I want to thank my fellow Commissioners including those that had -- Commissioner Dixon had to leave. This has been very, very valuable and informational and good for me. I wish when we were in Washington, we would get as good of presentations as we get when we leave Washington. And I hope you continue to keep us informed, everyone that is here. And with that, I will hand it over to Joe.

CHAIRMAN GARCIA: Well, I just wanted to close by, again, thanking the Florida Department of Management Services for the excellent job they have done here today, as well as All Video Network which has been simulcasting this. Let me just tell you, it speaks to what we were talking about.

Since we have been here today, and the crowd, we have been at 100, 120 at some points, it comes and goes.

But since we have began today, we have had over 14,000 hits while we have been here. And at one time, we had as many as 600 people watching us. So it speaks to this world we are headed towards. And this is that preliminary step. And we have only just scratched the surface.

So thank you for being here today. Thank you for coming to south Florida. We are going to be going -- some of us have a lunch engagement. And so we will break. Again, thanks to the staff for a phenomenal, phenomenal job. Thank you.

(Whereupon, at 12:45 p.m. on Friday, June 9, 2000, the hearing in the above-entitled matter was concluded.)

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